



DEFENSE LOGISTICS AGENCY  
HEADQUARTERS  
8725 JOHN J. KINGMAN ROAD  
FORT BELVOIR, VIRGINIA 22060-6221

IN REPLY  
REFER TO J-33

AUG 03 2006

MEMORANDUM FOR PROCLTR DISTRIBUTION LIST

SUBJECT: Authorization Under Federal Acquisition Regulation (FAR) 13.402(a) to Use Fast Payment Procedures for OCONUS Subsistence Awards Not Exceeding \$500,000 in Support of Contingency Operations

I issued the Federal Acquisition Regulation Deviation (FARS DEV) 04-03, a class deviation, to facilitate payments to vendors supplying subsistence in support of contingency operations outside the continental United States (OCONUS). Due to the nature of such operations, it is often difficult to obtain timely receipts from the customer, which, in turn, makes it impracticable to effect timely payment based on evidence of Government acceptance. FAR 13.402 identifies conditions that must be fulfilled in order to use fast payment procedures; subsection (a) states that individual purchasing instruments may not exceed \$25,000. However, that subsection also provides that executive agencies may permit higher dollar limitations for specified activities or items on a case-by-case basis. The Defense Supply Center Philadelphia (DSCP) has provided information substantiating that, in general, the conditions for use of fast payment procedures in FAR 13.402(b) through (f) are satisfied with regard to OCONUS contingency buys. Under the "head of agency" authority delegated to me, instead of extending the prior deviation, I am directly authorizing DSCP to use fast payment procedures for OCONUS subsistence actions, to include awards, purchase orders, and delivery orders, in support of a contingency operation, so long as these actions do not individually exceed \$500,000 in value, when the conditions at FAR 13.402(b) through (f) apply. Since this is not a deviation extension, and since it is directly related to current military operations in support of Operations Iraqi Freedom and Enduring Freedom (OIF/OEF), no permanent DLAD coverage is required (as would otherwise be the case under Defense Logistics Acquisition Directive (DLAD) 1.490(a)(ii)). This authorization is granted for a 3-year period, or until the cessation of contingency operations under OIF/OEF, whichever occurs first. This authorization is made with the understanding that a semi-annual verification of customer receipts for which payment has been made will be performed by DSCP. In addition, the appropriate use of fast payment procedures will continue to be a special interest item in all Procurement Management Reviews. FARS DEV 04-03 is hereby superseded.

This authorization is effective immediately, and expires as stated above. The point of contact for this matter is Ms. Mary Massaro, J-3311, who can be reached at (703) 767-1366 (DSN 427-1366), or by e-mail addressed to Mary.Massaro@dla.mil.

  
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